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**FISCAL IMPACT STATEMENT**

**LS 6834**

**BILL NUMBER:** SB 303

**NOTE PREPARED:** Feb 21, 2011

**BILL AMENDED:** Feb 21, 2011

**SUBJECT:** County Government Reorganization.

**FIRST AUTHOR:** Sen. Lawson C

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** (Amended) This bill has the following provisions:

It provides that in counties other than Marion County, the county executive may adopt an ordinance providing that the voters of the county shall elect a single county chief executive officer to serve as the county executive and a county council that has the legislative and fiscal powers and duties of the county.

It provides that such an ordinance to change the structure of county government may be adopted only during an odd-numbered year or before July 1 of an even-numbered year.

It also specifies that an ordinance providing for a single elected county executive officer must be approved by a unanimous vote of all the elected members of the county executive.

It provides that in a county with a single county chief executive officer: (1) the initial county chief executive officer is elected in the second general election after the ordinance to change the structure of county government is approved; (2) the board of county commissioners is abolished; and (3) the membership of the county council continues under existing law. It provides that a person is not eligible to serve as the single county chief executive officer more than 8 years in any 12-year period. It also provides that if the office of chief executive officer becomes vacant, the county council shall appoint an individual to serve as interim chief executive officer until the office is filled.

It provides that in a county that has a chief executive officer, the number of registered voters equal to 2% of the votes cast in the last election for Secretary of State in the county may petition the county council to adopt an ordinance requiring the election of a board of commissioners (instead of a single county chief executive

officer) to serve as the: (1) county executive if the county is Lake or St. Joseph County; or (2) the county executive and legislative body in any other county (except Marion County).

It eliminates the Marion County board of commissioners.

**Effective Date:** (Amended) Upon passage; July 1, 2011.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Reorganization of County Executive and Legislative Structure:* The fiscal impact of the bill will depend on decisions of the county council in setting executive compensation. No current county executive or legislative responsibility is reduced or eliminated by the bill. If the county executive adopts an ordinance, the voters would elect a single chief executive, and the county executive duties would be reassigned from a three-member board of county commissioners to a single elected chief executive, which could potentially change the compensation costs for these positions. Conversely, the bill also allows the voters of a county to change from a single elected chief executive officer to a multi-member county executive body through a petition process.

Executive compensation is determined by the county fiscal body, and any cost savings will result from the decisions of the fiscal body. Officers are compensated from the county general fund. The average salary for county commissioners in 2009 (for 67 counties reporting) was \$22,200, with a salary range between \$4,800 and \$65,300.

A position similar to the single elected county executive may be a city mayor, and similar compensation may be earned by a county executive, depending on the decisions of the county fiscal body. For the 61 cities reporting, there is a strong correlation between mayor salary and population size when the city population is large (and Indianapolis is excluded) or below 38,000. For middle-sized cities, correlation is not as strong, but still exists. The following table shows the city population range and the average mayor compensation and compensation range.

City Population Range	Average Mayor Salary	Mayor Salary Range
95,707 - 255,890	\$100,262	\$88,021 - \$123,600
40,308 - 76,545	\$84,580	\$67,893 - \$112,762
6,014 - 37,517	\$57,635	\$32,748 - \$75,000
Source: US Census, <i>Table 4. Annual Estimates of the Resident Population for Incorporated Places in Indiana: April 1, 2000 to July 1, 2009</i> ; Indiana Association of Cities and Towns.		

*Reorganization of Legislative Duties:* In a county where the county executive adopts an ordinance transferring executive duties to a single chief executive officer, the reassignment of legislative duties from the county commissioners to the county council should have no fiscal impact.

*Abolishing Board of Commissioners:* There is no fiscal impact expected due to the elimination of the board of commissioners in Marion County. The board of commissioners in Marion County is comprised of the county treasurer, county auditor, and county assessor. The board of commissioners makes appointments,

performs duties and exercises powers pertaining to the issuance and payment of bonds, and exercises constitutional powers. The officers serve on the board of commissioners without additional compensation.

*Background and Additional Details* - Outside of Marion County, the board of county commissioners is the executive body of the county. All executive and administrative powers or duties of the county, except those expressly assigned by law to other elected or appointed officials, are assigned to the board of county commissioners. Also, the board of county commissioners has many assigned and authorized responsibilities. Examples include:

- (1) Establishing procedures for all county departments, offices, and agencies under its jurisdiction.
- (2) Administering all statutes applicable to the county and its ordinances and regulations.
- (3) Supervising the care and custody of all county property, the collection of revenues, and the control of disbursements and expenditures, and reporting on the same.
- (4) Determining the nature and extent of all county improvements.
- (5) Negotiating contracts for the county.

Under the bill, the single county executive would assume all the responsibilities of the board of county commissioners. The county executive also would have specific reporting duties to both the residents of the county and the legislative body, would make recommendations concerning county improvements and actions, and would have approval and veto powers on ordinances passed by the county legislative body.

The county council is the seven-member fiscal body of the county. Under the bill, the county council would assume all legislative duties of the board of county commissioners. In 2009, the average salary for a county council member was \$7,029, and ranged between \$2,950 and \$42,430.

#### **Explanation of Local Revenues:**

#### **State Agencies Affected:**

**Local Agencies Affected:** Counties.

**Information Sources:** *2009 County Factbook*, Association of Indiana Counties; Allen County Quick Facts from the U.S. Census Bureau; *IACT Salary, Wage and Fringe Benefits Survey, 1st & 2nd Class Cities and 3<sup>rd</sup> Class Cities*.

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